

EXHIBIT 149

Assumptions Used in Arriving at Fiscal Estimate

Adding a new title/registration vendor for the Automated Processing Partnership System (APPS) program described in Transportation Rule 156 would require substantial costs from both DMV business and DOT IT staff for implementation and maintenance.

On the DMV business side, current resources are already very lean. Historically, two staff with classifications Motor Vehicle Program Specialist (MVPS) Senior and Advanced managed the APPS program, which included three vendors. Since January 2011, one MVPS has managed the APPS program, and DMV added another vendor in July 2012.

The DMV implementation costs would include:

- managing the contract process
- writing and communicating business rules
- testing systems extensively
- implementing the ACH transfer process
- coordinating report development on both sides

It is estimated that the DMV would require 2 FTE project MVPS Senior positions for one year at \$145,746 (\$72,873 annual salary and fringe x 2). *FOR EACH VENDOR*

DMV resources are strongly committed to projects in 2015. We will not delay work on our Image project that is scheduled to go live 12/14/15, as that project will directly result in a significant increase in processing speed of mailed-in title applications for DMV customers. In 2014, there were more than 350,000 such transactions. With significant improvement in processing speed resulting in better customer service for a very large number of transactions, we will not pull resources from that project to work on other projects. Additionally, any delay in the title Image project then would delay the next stages of the project, which is unacceptable from a budget, contractual and customer service perspective.

e Because DMV staff resources are required for these projects, it is estimated that 50% of the DMV MVPS labor implementation labor listed above would be at the overtime rate, an additional \$36,437 (\$72,873 annual salary and fringe x 0.5).

IT development hours for project management, coding and development support would total an estimated 680 hours. The development would take no less than 6 months. The CPU costs are estimated at 49 days (390 hours/8 = 49 days). The total for the development costs would be \$60,250 (personnel \$85 x 680, plus CPU \$50 x 49).

Ongoing permanent maintenance costs would require for DMV one permanent FTE MVPS Senior position at \$72,873/year annual salary and fringe for DMV, to maintain:

- Technical support

- Development and maintenance of interface software
- Dealer and agent training
- Data security
- Electronic transfer and reconciliation of funds
- Contract, communication and inventory process for dealers and other processing agents to switch vendors

Fair treatment for other vendors applying for the APPS program is another issue. In addition to Motor Vehicle Software Corporation ("DMVdesk"), six vendors have expressed interest in the APPS program since 2012. DMV has rejected three and told the three others not to apply, based on the criteria for approving a vendor under Transportation Rule 156, specifically 156.03(d), "the amount of technical support the vendor is likely to need" and (e), "the anticipated benefit to DMV and DMV customers." Because the market for potential dealers and agents is already saturated, DMV has chosen to apply our lean resources towards expanding self-serve options for titling and other money-saving technological efficiencies. This has created a waiting list of vendors that are interested in participating.

It is not clear if:

- Wisconsin DMV has the authority to just pick a vendor to enter into one of these contracts
- This authority is broad enough that we can pick one vendor and not another, even though the vendor profits from this arrangement
- We have the responsibility to offer a competitive process
- We have the responsibility to allow all interested vendors to join at the same time

The offer from DMVdesk to reimburse the department for development costs is also problematic. No current mechanism exists in either statute or administrative rule for this kind of reimbursement.